

Potential Ballot Measures



May 17, 2016 Agenda

Items: P-1, 1, and 5

Countywide Revenue Options to Combat Homelessness

**Tax on Personal Income above
\$1 million/year**

Transaction & Use Tax (Sales Tax)

**Marijuana Tax -
Medical and/or Recreational**

Parcel Tax

Tax on Personal Income above \$1 million/year

Legislation Required	<ul style="list-style-type: none">• Yes• Trailer bill -- majority vote of legislature by 6/15/16, Governor must sign by 6/30/16 to be effective 7/1/16.• Regular bill – majority vote of legislature – effective 1/1/17.• Urgency bill – 2/3 vote of legislature – effective immediately.
Recent Polling*	76% support
Tax Mechanism	1/2% tax on income over \$1 million countywide
Estimated Revenue	\$243M
% of Board Vote	Special Tax=Majority
% of Electorate Vote	Special Tax=2/3

*Polling conducted by David Binder Research, from March 29 to April 7, 2016. Survey consisted of 1400 sample size.

Transaction & Use Tax (Sales Tax)

Legislation Required	No
Recent Polling*	68% support (for 1/2% sales tax countywide)
Tax Mechanism	Sales tax can be imposed in 1/8% increments up to 2% cap. Current countywide sales tax is 1%, though some cities have their own sales tax.
Estimated Revenue	<ul style="list-style-type: none">• \$373M (based on 1/4% sales tax countywide)• \$746M (based on 1/2% sales tax countywide)
% of Board Vote	2/3 vote of BOS for both general and special sales tax
% of Electorate Vote	<ul style="list-style-type: none">• General Sales Tax=Majority Could be accompanied by an advisory question• Special Sales Tax=2/3

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Marijuana Tax – Medical and/or Recreational

Legislation Required	<ul style="list-style-type: none"> • Local taxation of medical marijuana authorized. • Initiatives on November ballot may legalize recreational use and authorize local taxation.
Recent Polling*	66% support (for a 15% sales tax on medical and recreational marijuana countywide, if recreational marijuana is legalized).
Tax Mechanism	BOS would need to decide whether to seek voter approval to tax medical marijuana, recreational marijuana, or both and set rate(s).
Estimated Revenue	Not yet estimated as rate(s) to be determined.
% of Board Vote	<ul style="list-style-type: none"> • General Tax=2/3 • Special Tax=Majority
% of Electorate Vote	<ul style="list-style-type: none"> • General Tax=Majority Could be accompanied by an advisory question • Special Tax=2/3

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Parcel Tax

Legislation Required	No
Recent Polling*	47% support (for \$49 parcel tax)
Tax Mechanism	Flat per parcel rate or per square foot rate
Estimated Revenue	\$274M (based on \$49 tax per parcel)
% of Board Vote	Special Tax=Majority
% of Electorate Vote	Special Tax=2/3

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Other Ballot Measures

CA Statewide Prop 30 Extension

County Parks & Open Space Measure

County Transportation Measure (R2)

CA Statewide Prop 30 Extension

Fund Education and Healthcare for another 12 years on
personal income earnings over \$250,000.

Legislation Required	No
Recent Polling*	64% support in Los Angeles County
Tax Mechanism	Tax on upper-income earnings over \$250,000
Estimated Revenue	State funding, not estimated.
% of Board Vote	Statewide measure--BOS approval not required.
% of Electorate Vote	Majority

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County Parks & Open Space Measure

Legislation Required	No
Recent Polling*	69% support (for \$.03 per square foot rate)
Tax Mechanism	Parcel tax based on square footage of improvements, rate to be determined by BOS
Estimated Revenue	\$198M (based on \$.03 per square foot rate)
% of Board Vote	Special Tax=Majority
% of Electorate Vote	Special Tax=2/3

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County Transportation Measure (R2)

Legislation Required	No
Recent Polling*	71% support
Tax Mechanism	1/2 cent sales tax
Estimated Revenue	\$800M (MTA estimate)
% of Board Vote	Majority (pursuant to special legislation obtained by MTA)
% of Electorate Vote	2/3

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Notes

- The Documentary Transfer Tax (“DTT”) is set by statute at \$1.10 per \$1,000 of the real property interest transferred. The County receives the full amount of the DTT in the unincorporated areas and where charter cities have adopted their own DTT. The County splits the DTT 50/50 with cities that have adopted a DTT in compliance with the statute. The DTT is a general tax. Increasing the County DTT would require State authorizing legislation, 2/3 approval by the BOS and majority voter approval.
- Measure B (Trauma Tax) funds are restricted to specific uses related to trauma centers and emergency rooms and could only be used to also fund homelessness programs by a ballot measure with majority approval of the BOS and 2/3 voter approval.

DISCLAIMER: Presentation information is based on research conducted to date. Research continues.

Countywide Revenue Options to Combat Homelessness	Legislation Required	Recent Polling	Tax Mechanism	Estimated Revenue	% of Board Vote	% of Electorate Vote
Proposed Measure						
1. <u>Tax on Personal Income above \$1 million/year</u>	Yes Trailer bill -- majority vote of Legislature by 6/15/16, Governor must sign by 6/30/16 to be effective 7/1/16. Regular bill – majority vote of legislature – effective 1/1/17 Urgency bill – 2/3 vote of legislature – effective immediately	76% support	1/2% tax on income over \$1 million countywide	\$243M	Special Tax=Majority	Special Tax=2/3
2. <u>Transaction & Use Tax (Sales Tax)</u>	No	68% support (for 1/2% sales tax countywide)	Sales tax can be imposed in 1/8% increments up to 2% cap. Current countywide sales tax is 1%, though some cities have their own sales tax.	\$373M (based on 1/4% sales tax countywide) \$746M (based on 1/2% sales tax countywide)	2/3 vote of BOS for both general and special sales tax	General Sales Tax=Majority Could be accompanied by an advisory question Special Sales Tax=2/3
3. <u>Marijuana Tax – Medical and/or Recreational</u>	Local taxation of medical marijuana authorized. Initiatives on November ballot may legalize recreational use and authorize local taxation.	66% support (for a 15% sales tax on medical and recreational marijuana countywide, if recreational marijuana is legalized)	BOS would need to decide whether to seek voter approval to tax medical marijuana, recreational marijuana, or both and set rate(s).	Not yet estimated as rate(s) to be determined.	General Tax=2/3 Special Tax=Majority	General Tax=Majority Could be accompanied by an advisory question Special Tax=2/3
4. <u>Parcel Tax</u>	No	47% support (for \$49 parcel tax)	Flat per parcel rate or per square foot rate	\$274M (based on \$49 tax per parcel)	Special Tax=Majority	Special Tax=2/3

Other Ballot Measures	Legislation Required	Recent Polling	Tax Mechanism	Estimated Revenue	% of Board Vote	% of Electorate Vote
Proposed Measure						
1. <u>CA Statewide Prop 30 Extension</u> – Fund Education and Healthcare for another 12 years on personal income earnings over \$250,000.	No	64% support in Los Angeles County	Tax on upper-income earnings over \$250,000	State funding, not estimated.	Statewide measure-- BOS approval not required.	Majority
2. <u>County Parks & Open Space Measure</u>	No	69% support (for \$.03 per square foot rate)	Parcel tax based on square footage of improvements, rate to be determined by BOS	\$198M (based on \$.03 per square foot rate)	Special Tax =Majority	Special Tax =2/3
3. <u>County Transportation Measure (R2)</u>	No	71% support	1/2 cent sales tax	\$800M (MTA estimate)	Majority (pursuant to special legislation obtained by MTA)	2/3

Notes:

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